

1 **Q. Preamble: [Pre-filed evidence of Mr Larry Brockman, June 1, 2015]**

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3 **At page 3 of his pre-filed evidence, Mr Brockman states:**

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5 **In my view, the Labrador-Island Interconnection will dramatically alter the**  
6 **current view of the Labrador Interconnected System as a separate system**  
7 **isolated from the Island. The likely outcome is that the Labrador**  
8 **Interconnected System will be viewed as part of the overall interconnected**  
9 **system of the province. This could have a dramatic effect on rate design and**  
10 **cost allocations. Given that possibility, I think it is unwise to make major**  
11 **changes to allocations and rate design at this time.**

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13 **When, in Mr Brockman's view, should the determination be made as to whether or**  
14 **not the Labrador Interconnected System should be viewed as part of the overall**  
15 **interconnected system of the province, after the "Labrador-Island Interconnection"**  
16 **is completed? What process should be used to make such a determination?**

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18 **A.** In its evidence, Newfoundland and Labrador Hydro ("Hydro") has identified a need for a  
19 review of cost of service methodology and a review of marginal energy and capacity  
20 costs as a result of upcoming changes related to the Labrador-Island interconnection. Mr.  
21 Brockman believes that the determinations referenced in the question should be made as  
22 part of whatever process the Board determines is appropriate for the implementation of  
23 changes arising from the impending cost of service and rate design reviews.